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This single chapter on the political environment is excerpted from the 2004 (September 2004 Update) Country Commercial Guide for Jordan. The full text of the report is also available on this website.

## **CHAPTER 3. POLITICAL ENVIRONMENT**

### **Nature of Political Relationship with the United States**

The United States and Jordan have enjoyed a strong bilateral relationship since the 1940's. Over that period, the U.S. has provided Jordan substantial economic and military assistance, and more recently has become its largest trading partner. Regional tensions related to the Iraqi invasion of Kuwait buffeted the U.S.-Jordan relationship in the early 1990's. However, close collaboration on the Middle East peace negotiations, King Hussein's decision in 1994 to sign a full peace treaty with Israel, and Jordanian cooperation in securing a stable, peaceful Iraq has restored the relationship. The U.S. has repeatedly stated its commitment to assist Jordan as part of a larger effort to promote a comprehensive peace in the region.

### **Major Political Issues Affecting the Business Climate**

The September 11, 2001 terrorist attacks in the U.S., the ongoing Israeli-Palestinian violence that began in September 2000, and the 2003 war in Iraq have hurt the local business climate, although the economy has rebounded surprisingly well. There is great domestic pressure to expand trade ties with Iraq, historically Jordan's largest trading partner. Jordan's regional trade relations, strained during the Gulf War, recovered somewhat with Saudi Arabia, Kuwait and other Gulf nations through the determined efforts of King Abdullah II. Trade with the West Bank, Gaza and Israel remains limited due to non-tariff barriers, the complicated nature of trilateral Jordan-PNA-Israel relations, and the disruption caused by Israeli-Palestinian unrest since September 2000. The political problems of the region have not slowed the increase in Jordanian exports to the U.S. under the Qualified Industrial Zone (QIZ) concept.

### **Political System, Schedule for Elections, and Orientation of Major Political Parties**

Jordan is a constitutional monarchy ruled since February 1999 by King Abdullah II. Under the constitution, power is vested in the King and the Parliament, which consists of the Senate and the Chamber of Deputies (or Lower House). The Senate is comprised of 55 appointed members, while the Chamber of Deputies has 110 elected members. The King appoints the Prime Minister and the ministers in consultation with the Prime Minister. Jordan's current Prime Minister, Faisal Al-Fayez, was appointed by King Abdullah in November of 2003.

Jordan's last parliamentary elections were held in June 2003. Representatives serve four-year renewable terms. Political parties were legalized in 1992 and more than 20 are licensed, but with the exception of the Islamic Action Front (IAF), which has 17 seats in the Lower House, they do not exert a great deal of influence on Jordanian political life. Tribal affiliation plays a predominant role in electoral politics. The IAF, the political wing of the Muslim Brotherhood, is the largest political party in Jordan. Most other political parties are personality-based or have leftist/pan-Arab orientations. The Council of Ministers can issue provisional laws with the King's approval in the absence of a sitting Parliament.

### **Political Violence**

There have been very few incidents in Jordan over the past few years involving politically motivated damage to projects and/or installations.

Nevertheless, since late 1999, there has been a series of serious, confirmed terrorist threats and disrupted terrorist plots targeting U.S. interests in Jordan. In April 2004, Jordanian authorities disrupted a plan to attack the U.S. embassy and Jordanian leadership sites with explosive-laden vehicles. Anti-western sentiment, though less pronounced since the end of the Gulf War, has been sparked on occasion by incidents within the region, particularly those related to Israeli/Palestinian issues and to a lesser extent Iraq. Warden messages disseminated in January and March 2004 alerted Americans to potential terrorist targeting of U.S. interests in Jordan, including hotels. Recent incidents in Jordan remind us of the ability of transnational terrorist groups, as well as less sophisticated local elements, to target Americans and western interests in Jordan. In September 2003, 13 individuals were arrested for plotting attacks against U.S. and Jordanian targets, including the U.S. embassy in Amman. In May 2003, three individuals connected to the Zarqawi network were arrested for planning attacks against foreigners and tourist locations. The October 28, 2002 assassination of a U.S. diplomat in Amman outside his residence was ultimately linked to the Zarqawi network. Jordanian authorities arrested the assassins in December 2002. In October 2002, Americans in Jordan were informed of a potential kidnapping plot by Al-Qaeda. In December 1999, a group affiliated with Al-Qaeda was arrested in Jordan. This group was in the late planning stages of attacks against Western hotels and tourist sites. The most recent published terrorist alerts have stated that extremist groups continue to plan terrorist attacks against U.S. interests worldwide.

While the U.S. has confidence in the Jordanian Government's ability to address these threats, it is likely that some terrorist elements remain at large. Since the outbreak of violence in Israel, the West Bank and Gaza in September 2000, some pro-Palestinian demonstrations in Jordan have taken on an anti-U.S. tinge. Public protests are almost always peaceful and organized.

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